



May 20, 2014

The Honorable Board of Supervisors
County of Los Angeles
Room 383 Hall of Administration
500 W. Temple Street
Los Angeles, CA 90012

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

65 June 10, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

RE: Arcadia Unified School District Request for Board to Levy Taxes and to Direct the Auditor-Controller to Place Taxes on Tax Roll

Members of the Board of Supervisors:

On May 13, 2014, the Governing Board of the Arcadia Unified School District (the "District") adopted a resolution (the "District Resolution") authorizing the issuance and sale of the District's general obligation bonds in a not to exceed amount of \$27,000,000 and designated the "Election of 2006, Series B 2014 Bonds" (the "Bonds").

The District Resolution has not been modified, amended, supplemented, rescinded or repealed, and remains in full force and effect as of the date hereof. The original District Resolution is enclosed herewith for submission to the Los Angeles County Board of Supervisors. The District formally requests, in accordance with applicable law, that the Los Angeles County Board of Supervisors (the "Board of Supervisors") adopt the enclosed resolution (the "County Resolution") to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to the debt service schedule to be supplied by the District's financial advisor, Government Financial Strategies, inc., following the sale of the Bonds.

IT IS THEREFORE RESPECTFULLY REQUESTED THAT:

1. The Board of Supervisors adopt the enclosed County Resolution.
2. After the Board of Supervisors has taken such action, the District requests that the Executive Officer-Clerk of the Board furnish two (2) original copies of the County Resolution to:

Kronick Moskovitz Tiedemann & Girard, A Professional Corporation
ATTN: Stacy Toledo
400 Capitol Mall, 27th Floor
Sacramento, CA 98514

3. Additionally, please send one (1) copy of the County Resolution to each of the following:

Los Angeles County Treasurer and Tax Collector
ATTN: John Patterson, Assistant Director - Public Finance
500 W. Temple Street, Room 432
Los Angeles, CA 90012

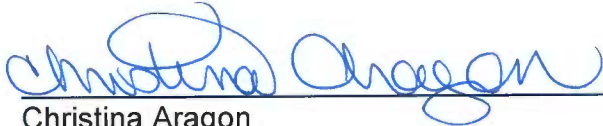
Los Angeles County Auditor Controller
ATTN: John Naimo
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Los Angeles County Counsel
ATTN: Thomas R. Parker
500 W. Temple Street, Room 653
Los Angeles, CA 90012

Sincerely,

ARCADIA UNIFIED SCHOOL DISTRICT

By:



Christina Aragon
Assistant Superintendent, Business Services

Enclosures: Arcadia USD Measure I, Series B Resolution No. 1300
County Resolution re Levy of Taxes

cc: Joel Shawn, Ed., Superintendent
John Patterson, Assistant Director - Public Finance, Los Angeles County
Gerard Hollins, Jr., Public Finance Analyst, Los Angeles County

RESOLUTION NO. _____

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF LOS ANGELES, CALIFORNIA,
AUTHORIZING THE LEVY OF TAXES FOR
GENERAL OBLIGATION BONDS OF THE ARCADIA UNIFIED SCHOOL DISTRICT,
DESIGNATING THE PAYING AGENT THEREFOR,
AND DIRECTING THE COUNTY AUDITOR-CONTROLLER
TO MAINTAIN TAXES ON THE TAX ROLL**

WHEREAS, a duly called election was held in the Arcadia Unified School District, Los Angeles County (the "County"), State of California (the "District"), on November 7, 2006, and thereafter canvassed pursuant to law;

WHEREAS, at such election, there was submitted to and approved by the requisite 55% vote of the qualified electors of the District a question as to the issuance and sale of general obligation bonds of the District (the "Bonds") for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$218,000,000, payable from the levy of an *ad valorem* tax against the taxable property in the District;

WHEREAS, on behalf of the District, the County Board issued the first series of Bonds on February 21, 2007 in the aggregate amount of \$162,000,423.50, designated the Arcadia Unified School District (Los Angeles County, California) Election of 2006 General Obligation Bonds, Series A;

WHEREAS, the District Board has now determined that it is necessary and desirable to issue and sell a second series of the Bonds, in an aggregate principal amount not to exceed \$27,000,000, which shall be referred to herein as the Arcadia Unified School District (Los Angeles County, California) Election of 2006 General Obligation Bonds, Series B 2014 Bonds (the "Series B Bonds").

WHEREAS, the District has certified that it has not received a qualified or negative certification on its most recent interim report;

WHEREAS, pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 (the "Act"), the District is authorized to issue the Series B Bonds;

WHEREAS, the County Board has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Series B Bonds when due, and to direct the Auditor-Controller of the County to maintain on its tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for such bonds, that will be provided to the Auditor-Controller by the District following the sale of such bonds; and

WHEREAS, the District has requested by way of District Resolution No. 1300 that the County Treasurer and Tax Collector (the "Treasurer") act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series B Bonds;

NOW THEREFORE, the Board of Supervisors of the County of Los Angeles does hereby resolve, determine and order as follows:

Section 1. Issuance of Bonds. That pursuant to Section 15140(b) of the California Education Code, the County is granted the power to and hereby approves the issuance of the Bonds by the District on its own behalf under the Act.

Section 2. Levy of Taxes. That the County Board levy taxes in an amount sufficient to pay the principal of and interest on the Series B Bonds.

Section 3. Preparation of Tax Roll. That the Auditor-Controller of the County is hereby directed to maintain on its tax roll, and all subsequent tax rolls, taxes in an amount sufficient to fulfill the requirements of the debt service schedules for the Series B Bonds, which will be provided to the Auditor-Controller by the District following the sale of such bonds.

Section 4. Paying Agent. That the Treasurer, or the Treasurer's third-party designee, act as Paying Agent for the Series B Bonds. The Treasurer is authorized to contract with a third party to perform the services of Paying Agent.

Section 5. Effective Date. That this Resolution shall take effect immediately upon its passage.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The foregoing resolution was, on the 10TH day of JUNE, 2014, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which said County Board so acts.



SACHI A. HAMAI
Executive Officer-Clerk of the
Board of Supervisors of the County of Los Angeles

By: [Signature]
Deputy

APPROVED AS TO FORM:

JOHN KRATTLI
Acting County Counsel

By: [Signature]
Deputy County Counsel

RESOLUTION NO. 1300

**A RESOLUTION OF THE BOARD OF EDUCATION OF THE
ARCADIA UNIFIED SCHOOL DISTRICT
PRESCRIBING THE TERMS AND AUTHORIZING THE ISSUANCE OF BONDS OF
THE DISTRICT; APPROVING FORMS OF AND AUTHORIZING EXECUTION AND
DELIVERY OF A BOND ISSUANCE AGREEMENT, BOND PURCHASE
AGREEMENTS, A CONTINUING DISCLOSURE AGREEMENT, AND AN OFFICIAL
STATEMENT; AUTHORIZING DISTRIBUTION OF THE OFFICIAL STATEMENT;
AND AUTHORIZING EXECUTION OF NECESSARY CERTIFICATES**

WHEREAS, pursuant to Education Code sections 15100 *et seq.* and 15264 *et seq.*, and Government Code section 53506, and Article XIII A, Section 1 and Article XVI, Section 18 of the California Constitution, the Board of Education (the "Board") of the Arcadia Unified School District (the "District") adopted its Resolution No. 1137 on August 8, 2006, ordering a school bond election, which was then held in the District on November 7, 2006 (the "2006 Election");

WHEREAS, the measure for incurring bonded indebtedness was submitted to the voters at the 2006 Election and abbreviated on the ballot as follows:

Measure I: "Arcadia Neighborhood Schools Health, Safety, Repair Measure: To improve education, retain and attract quality teachers by

- Repairing, upgrading outdated classrooms, restrooms, plumbing, roofing, lighting, electrical systems, libraries,
- Improving safety, security, fire, removal of hazardous materials,
- Improving handicapped student accessibility,
- Increasing earthquake-safe classrooms,
- Renovating, acquiring, constructing, repairing, equipping classrooms, science labs, neighborhood schools, sites, facilities,

shall Arcadia Unified School District issue \$218,000,000 of bonds at legal rates, with annual audits, independent oversight, and no money for administrators' salaries?"

Bonds- Yes

Bonds-No

WHEREAS, the returns of the 2006 Election were thereafter canvassed pursuant to law, the Certificate of Election received from the Los Angeles County Registrar of Voters authenticated that more than fifty-five percent (55%) of the votes cast were in favor of issuing the general obligation bonds ("2006 Bonds"), and thereafter the Board certified the election proceedings to the Board of Supervisors of the County of Los Angeles (the "County");

WHEREAS, pursuant to its Resolution No. 1144, adopted on January 9, 2007, and in accordance with a bond purchase contract dated February 6, 2007, by and between the District and

UBS Securities, LLC, the District authorized and issued the first series of the 2006 Bonds on February 21, 2007, designated the "Arcadia Unified School District (Los Angeles County, California), Election of 2006 General Obligation Bonds, Series A," in the aggregate principal amount of \$162,000,423.50;

WHEREAS, the District entered into a bond counsel agreement dated August 1, 2006 with the law firm of Stradling Yocca Carlson & Rauth, a Professional Corporation (the "2006 Bond Counsel Agreement"), the term of which commenced on the date of such agreement and is to extend until termination by the Board;

WHEREAS, the Board has determined that it is necessary and desirable to issue and sell a second series of the 2006 Bonds, in an aggregate principal amount not to exceed \$27,000,000 (the "Series B Bonds"), according to the terms and in the manner hereinafter set forth;

WHEREAS, all acts, conditions and things required by law to be done or performed have been done and performed in strict conformity with the laws authorizing the issuance of the Series B Bonds of the District; and

WHEREAS, the indebtedness of the District, including the proposed issuance of the Series B Bonds, is within all limits prescribed by law;

WHEREAS, the District certifies that it has not received a qualified or negative certification on its most recent interim report.

NOW, THEREFORE, be it resolved by the Board of Education of the Arcadia Unified School District, as follows:

Section 1. Recitals. The Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. Issue Authorized. The Board hereby authorizes the issuance of the Series B Bonds, in an aggregate principal amount not to exceed \$27,000,000. The District is issuing the Series B Bonds pursuant to the terms of Chapter 3, Part 1, Division 2, Title 5 of the California Government Code (commencing with Section 53400).

Section 3. Bond Counsel. The Board hereby terminates the 2006 Bond Counsel Agreement. Pursuant to a request for proposal process conducted by the Designated Officers with various qualified bond counsel firms (including Stradling Yocca Carlson & Rauth), the law firm of Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is hereby retained as bond counsel ("Bond Counsel") to the District with respect to the Series B Bonds. The Designated Officers, and each of them individually, are hereby authorized to execute and deliver a legal services agreement with such firm and keep such agreement on file with the Secretary of the Board.

Section 4. Financial Advisor. The Board hereby approves the firm of Government Financial Strategies inc. to serve as the District's financial advisor (the "Financial Advisor") with respect to the Series B Bonds.

Section 5. Approval of Bond Issuance Agreement. The Board hereby approves the form of the Bond Issuance Agreement (the "Bond Issuance Agreement") by the District for the benefit of the bond owners, as presented to this meeting and on file with the Secretary of the Board. The President, Vice President, Secretary, and Clerk of the Board, the Superintendent, and the Assistant Superintendent of Business Services of the District, and their respective designees (the "Designated Officers"), or their designees, and each of them individually, are hereby authorized for and in the name of and on behalf of the District, to execute and deliver the Bond Issuance Agreement in substantially that form, with such changes therein as the Designated Officer or Officers executing the Bond Issuance Agreement, with the advice of Bond Counsel, may require or approve. The execution of the Bond Issuance Agreement by a Designated Officer or Officers shall constitute conclusive evidence of such officer's or officers' and the Board's approval of such changes. The date, respective principal amounts of each maturity, the interest rates, interest payment dates, denominations, form, registration privileges, place or places of payment, terms of redemption, and other terms of the Series B Bonds shall be as provided in the Bond Issuance Agreement, as finally executed.

Section 6. Approval of Continuing Disclosure Certificate. The Board hereby approves the form of the Continuing Disclosure Certificate relating to the Series B Bonds. A copy of the Continuing Disclosure Certificate has been presented to this meeting and is on file with the Secretary of the Board. The Authorized Representatives, or their designee, are hereby authorized, for and on behalf of the District, to execute and deliver the Continuing Disclosure Certificate in substantially said form, with such changes therein as such officer, with the advice of Bond Counsel, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 7. Approval of Method of Sale and Bond Purchase Agreements. The Board hereby authorizes the sale of the Series B Bonds to an underwriter or underwriters pursuant to bond purchase agreements (the "Bond Purchase Agreements") in an aggregate principal amount not to exceed \$27,000,000. The Board hereby further authorizes the sale of the Series B Bonds (1) in the form of current interest bonds (the "Current Interest Bonds") with an underwriter's discount in an amount not to exceed 2.00% of the principal amount of the Current Interest Bonds and (2) in the form of capital appreciation bonds (the "Capital Appreciation Bonds") with an underwriter's discount in an amount not to exceed 4.00% of the principal amount of the Capital Appreciation Bonds. Upon the recommendation of the Financial Advisor, the Designated Officers, and each of them individually, on behalf of this Board, are hereby authorized to negotiate the final terms of the sale of the Series B Bonds with an underwriter or underwriters, selected by such Designated Officers based on a competitive process conducted by the Financial Advisor, and to execute and deliver the Bond Purchase Agreements to an underwriter or underwriters (individually and collectively the "Underwriter"). The method of sale described above has been selected by the Board because it offers greater flexibility than a public sale process in setting and changing the time and terms of the sale.

The estimated costs associated with the issuance of the Series B Bonds, including the expenses of Bond Counsel, the Financial Advisor, the rating agency and other services and including an estimated underwriter(s) discount and premium for municipal bond insurance (if any), are \$720,000.

Section 8. Approval of Official Statement. The Board hereby approves the form of Official Statement presented to this meeting and on file with the Secretary of the Board. The Designated Officers, or their designees, are hereby authorized and directed to execute the Official Statement in substantially that form, with such changes as the Designated Officers, upon the advice of the Financial Advisor and Bond Counsel, may require or approve, which approval shall be conclusively evidenced by the execution and delivery thereof. The Board hereby authorizes and directs the Underwriter to distribute copies of the Official Statement in preliminary form to persons who may be interested in the purchase of the Series B Bonds and to deliver copies of the final Official Statement to the purchasers of the Series B Bonds. The Board hereby authorizes and directs the Designated Officers, or their designees, to deliver to the Underwriter certification to the effect that the District deems the preliminary Official Statement, in the form approved by the Designated Officers to be final and complete as of its date.

Section 9. Bond Structure. The sale of the Series B Bonds is proposed to include Capital Appreciation Bonds. Based on an analysis by the Financial Advisor, and for purposes of satisfying the requirements of Education Code section 15146, the Board hereby acknowledges and discloses the following information related to the proposed sale and issuance of the Series B Bonds:

	<i>Estimate for Current Interest Bonds</i>	<i>Estimate for Capital Appreciation Bonds</i>	<i>Estimate for Series B Total</i>	<i>Per Education Code</i>
Financing Amount:	\$17,000,000	\$6,900,000	\$23,900,000	15146(c)
Financing Term:	30 years	23 years	30 years	15146(b)(1)(E)
Repayment Ratio:	2.65 : 1	2.79 : 1	2.69 : 1	15146(b)(1)(E)
Est. Change in AV Over Term:	5%	5%	5%	15146(b)(1)(E)
Overall Cost*:	\$45,573,602	\$19,586,926	\$65,160,528	15146(c)(1) & (2)

Per Education Code 15146(c)(3), "the reason bonds that allow for the compounding of interest are being recommended" is because they help achieve the funds for the District's facilities needs within the statutory tax levy constraint.

Per Education Code 15146(c)(4), "a copy of the disclosure made by the underwriter in compliance with Rule G-17 adopted by the federal Municipal Securities Rulemaking Board" is not required per *Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities* dated August 2, 2012.

*Note: overall cost includes both total debt service cost over financing term and upfront costs.

Section 10. Valid Obligations. The Board hereby determines that all acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Series B Bonds in order to make them legal, valid, and binding general obligations of the District have been performed and have been met, or will at the time of delivery of the Series B Bonds have been performed and have been met, in regular and due form as required by law; that the full faith and credit of the District are hereby pledged for the timely payment of the principal and interest on the Series B Bonds; and that no statutory or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Series B Bonds.

Section 11. Paying Agent. The Board does hereby appoint the Los Angeles County (the "County") Treasurer and Tax Collector to act as the authenticating agent, bond registrar, transfer agent and paying agent (collectively, the "Paying Agent") for the Series B Bonds. The County Treasurer and Tax Collector is authorized to contract with any third party to perform the services of the Paying Agent. The District acknowledges that ongoing expenses and fees of the Paying Agent

and all other fees and costs incurred in connection with the Series B Bonds will be paid by the District.

Section 12. Building Fund and Debt Service Fund. (A) **Building Fund.** The District hereby requests that the County Auditor-Controller establish and create and/or maintain the "Arcadia Unified School District, 2006 Election, Series B Building Fund," (the "Building Fund") and keep each fund separate and distinct from all other District and County funds. The District hereby further requests that the County Treasurer and Tax Collector deposit the proceeds of the sale of the Series B Bonds (except any premium or accrued interest received from the sale) into the Building Fund for use by the District to pay the costs of the school facilities described in the bond measures approved by the voters of the District and costs of issuance of the Series B Bonds.

(B) **Debt Service Fund.** The District hereby requests that the County Auditor-Controller establish and create and/or maintain the "Arcadia Unified School District, 2006 Election, Series B Debt Service Fund," (the "Debt Service Fund") and keep each fund separate and distinct from all other District and County funds. The District hereby further requests that the County Treasurer and Tax Collector deposit any premium received from the sale of the Series B Bonds into the Debt Service Fund. The District hereby further requests that the County Auditor-Controller withdraw from the Debt Service Funds and transfer to the Paying Agent at the times requested by the District the amounts required to pay debt service on the Series B Bonds and to pay the fees and expenses of the Paying Agent.

Section 13. Official Intent. The District intends to undertake the construction, repair and acquisition of school facilities and equipment, described in the bond measures, to serve the District (the "Improvements"). The District intends to use the proceeds of its Series B Bonds described in this Resolution to finance the Improvements. The District expects to pay certain capital expenditures (the "Reimbursement Expenditures") in connection with the Improvements prior to the issuance by it of the indebtedness for the purpose of financing the costs of the Improvements on a long-term basis. The District reasonably expects that the Series B Bonds debt obligations will be issued by it for the purpose of financing the cost of the Improvements on a long-term basis and that certain of the proceeds of such debt obligations will be used to reimburse the District for the Reimbursement Expenditures.

The Board hereby declares the District's official intent to use a portion of the proceeds of the proposed indebtedness to reimburse the District for the Reimbursement Expenditures. The foregoing statement is a declaration of official intent that is made under and only for the purpose of establishing compliance with the requirements of Treasury Regulations section 1.150-2 and Section 54A(d)(2)(D) of the Internal Revenue Code of 1986, as amended.

Section 14. Authorization of Officers to Execute Documents. The Board hereby authorizes and directs the Designated Officers or their respective designees, and each of them individually, to do any and all things, to take any and all actions, and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Series B Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this Resolution. All actions heretofore taken by such officers and staff that are in conformity with the purposes and intent of this Resolution are hereby ratified, confirmed and approved in all respects.

Section 15. Levy of Tax. The District hereby requests the County Board of Supervisors to take any and all actions as may be required by the County or otherwise necessary in order to arrange for the levy and collection of taxes for payment of the Series B Bonds, and the deposit and investment of the Series B Bond proceeds.

Section 16. Effective Date. This resolution shall take effect immediately upon its passage.

[Remainder of Page Intentionally Left Blank]

APPROVED, PASSED, AND ADOPTED on May 13, 2014 by the Arcadia Unified School District Board of Education by the following vote:

AYES: 5

NOES: 0

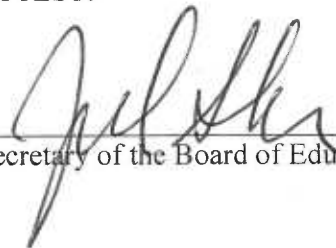
ABSENT: 0

ABSTAIN: 0



President of the Board of Education

ATTEST:



Secretary of the Board of Education